

**RTO West**  
**CONGESTION MANAGEMENT WORK GROUP MEETING (CM WG05)**  
On July 10-11, 2000

RTO West at 5933 NE Win Sivers Dr.  
Portland and Telephone Conference Call  
9:30 – 5:00 pm, 8:30am- 12pm

**Work Group Meeting Summary**  
**Version 2 – July 17, 2000**

**Attendees (39 attendees in total with some by telephone):**

| F-NAME | L-NAME      | ORGANIZATION                         | PHONE        | EMAIL                           |
|--------|-------------|--------------------------------------|--------------|---------------------------------|
| John   | Anasis      | BPA-TLB                              | 360-418-2263 | jganasis@bpa.gov                |
| Don    | Badley      | NWPP                                 | 503-464-2805 | don.badley@nwpp.org             |
| Rich   | Bayless     | PacifiCorp                           | 503-813-5739 | Rich.Bayless@pacificorp.com     |
| Dennis | Bickford    | Power Resource Managers              | 509-546-5951 | dbickford@nwinfo.net            |
| Ray    | Bliven      | RCS for DSIs                         | 360-737-3877 | rdb@keywaycorp.com              |
| Ray    | Brush       | Montana Power                        | 406-497-4278 | rbrush@mtpower.com              |
| Warren | Clark       | Avista Corp                          | 509-495-4186 | wclark@avistacorp.com           |
| Robin  | Cross       | Snohomish PUD                        | 425-783-8481 | rhcross@snopud.com              |
| Steve  | Daniel      | GDS Associates for UAMPS             | 770-425-8100 | steved@gdsassoc.com             |
| Angela | DeClerck    | BPA-PBL                              | 503-230-3886 | ardeclerck@bpa.gov              |
| Chuck  | Durick      | Idaho Power Company                  | 208-388-2450 | cdurick@idahopower.com          |
| Brian  | Gedrich     | GDS Associates for UAMPS             | 770-425-8100 | briang@gdsassoc.com             |
| Wally  | Gibson      | Northwest Power Planning Council     | 503-222-5161 | wgibson@nwppc.org               |
| Kurt   | Granat      | PAC Transmission                     | 503-813-5744 | kurt.granat@pacificorp.com      |
| David  | Hackett     | KEMA                                 | 503-258-0187 | dhackett@kemaconsulting.com     |
| Bob    | Harshbarger | Puget Sound Energy                   | 425-882-4466 | bharsh@puget.com                |
| Steve  | Huhman      | Southern Energy Marketing            | 925-287-3120 | steve.huhman@southernenergy.com |
| Gerit  | Hull        | BPA-PBL                              | 503-230-4029 | gfhull@bpa.gov                  |
| Carl   | Imparato    | Power Marketers                      | 510-558-1456 | cfi1@tca-us.com                 |
| Don    | Long        | Grant PUD                            | 509-754-5055 | Dlong@gcpud.org                 |
| Ron    | Moulton     | WAPA - CRSP-MC                       | 801-524-4012 | moulton@wapa.gov                |
| Paul   | Murphy      | Direct Service Industries            | 503-227-1011 | pmurphy@mbllp.com               |
| Lauren | Nichols     | BPA-TBL                              | 360-418-2857 | lnichols@bpa.gov                |
| Larry  | Nordell     | Montana DEQ                          | 406-444-6757 | lnordell@state.mt.us            |
| Arne   | Olson       | WA DCTED                             | 360-956-2022 | arneo@ep.cted.wa.gov            |
| Ren    | Orans       | Energy & Environmental Economics     | 415-391-5100 | ren@ethree.com                  |
| Rick   | Paschall    | Pacific NW Generating Coop           | 503-288-4870 | rpaschall@pngc.com              |
| Dennis | Phillips    | BPA-PBL                              | 503-230-5062 | dwphillips@bpa.gov              |
| Chris  | Reese       | Puget Sound Energy                   | 465-462-3055 | creese@puget.com                |
| Jerry  | Rust        | ESCA Corporation                     | 503-626-3932 | lorusty4@msn.com                |
| Mike   | Ryan        | Portland General Electric            | 503-464-8793 | mike_ryan@pgn.com               |
| Brian  | Silverstein | BPA-TBL                              | 360-418-8678 | blsilverstein@bpa.gov           |
| Rob    | Sirvaitis   | Power Resource Managers              | 360-693-8484 | rsirvaitis@prmlp.com            |
| Ajay   | Sood        | Idaho Power Company                  | 208-388-2457 | asood@idahopower.com            |
| Barney | Speckman    | KEMA                                 | 503-258-0193 | bmspeckman@aol.com              |
| Rick   | Vermeers    | Avista Corp.                         | 509-495-8057 | rvermeers@avistacorp.com        |
| Steve  | Walton      | Enron                                | 713-345-7793 | steve.walton@enron.com          |
| Steve  | Weiss       | NW Energy Coalition                  | 503-393-8859 | steve@nwenergy.org              |
| Linc   | Wolverton   | Industrial Customers of NW Utilities | 360-263-3675 | lwolv@worldaccessnet.com        |

**Calendar:**

|                        |  |                   |
|------------------------|--|-------------------|
| May 24, 2000           | Kick Off Meeting for WG (Meeting #1)-Complete              | RTO West Facility |
| June 6-7, 2000         | Congestion Management Workshop Complete                    | RTO West Facility |
| June 12                | CM WG Meeting #2 (9:30am — 4 pm) Complete                  | RTO West Facility |
| June 19                | CM WG Meeting #3 (9:30am — 4 pm) Complete                  | RTO West Facility |
| June 26-27             | June 26 — Joint CM /AS WGs Meeting Complete                | RTO West Facility |
|                        | June 27 — CM WG Meeting Completed                          | RTO West Facility |
| July 10-11             | CM WG Meeting #5 (9:30 am — 5 pm, 8:30am — 12 pm) Complete | RTO West Facility |
| July 18                | CM WG Meeting #6 (note meeting on July 17 is cancelled)    | RTO West Facility |
| July 24-25             | CM WG Meeting #7   | RTO West Facility |
| July 31-August 1, 2000 | CM WG Meeting #8   | RTO West Facility |

Note: Assignments below include new, open, in-progress and closed (closed last meeting but report in these minutes). Assignments closed prior to last meeting and previously reported in the minutes have been deleted.

| <b>Assignments (Includes Action Items) from July 10-11 Work Group Meeting:</b>   | <b>Status</b> |
|--|---------------|
| 1. D. Hackett took a new assignment to find out what data is being collected by legal for existing contracts.  | New           |
| 2. David Hackett took an assignment to generate an outline for the CM white paper using the combined documents of IndeGO, DSTAR and Mountain West ISA.   | New           |
| <b>Assignments (Includes Action Items) from June 26-27 Work Group Meeting:</b>   | <b>Status</b> |
| 1. Carl Imparato is define the permissive dispatch market details for review at the Joint CM/AS meeting in the afternoon on July 11,2000.  | Open          |
| 2. Teams A, B, and E defined in agenda item 5 to generate a draft position on the assigned area and be prepared a presentation for the July 10 WG meeting.   | In progress   |
| 3. Teams C and D defined in agenda item 5 to generate a draft position on the assigned areas.  | Open          |
| <b>Assignments (Includes Action Items) from June 19 Work Group Meeting:</b>  | <b>Status</b> |
| 1. Team #1 to clean up the list of constrained paths (flowgates), define the rational for the path being on the list (e.g.; existing operational procedures, % loading by time, historical usage, etc.) and identify the constrained lines by name if not previously identified. The goal is to complete this assignment by the June 27, next meeting of the CM WG | In progress   |
| 3. Each WG member is to identify several generator and load  | In progress   |

|  |                      |
|--|----------------------|
| withdrawal point within each area modeled.   |                      |
| 4. Team #2 agreed to update draft document to incorporate the topics discussed.  | In progress          |
| 5. Flow distribution factors to be created to enable CM WG to proceed with determining the commercial viability of the flowgate model (including methods for creating zones, effect of ignoring FDFs less than a threshold, and effects of holding FDFs constant). | In process by team E |
| <b>Assignments (Includes Action Items) from May 24 Work Group Meeting:</b>   | <b>Status</b>        |
| 2. Deanna Phillips volunteered to be the WG liaison with NERC CM activities.   | Ongoing              |

### **Summary of Consensus (Decisions Made):**

### **Highlights of Meeting by Agenda Topic**

#### **Agenda topic 1** - Introduction / Finalize Agenda

The agenda was accepted as drafted.

#### **Agenda topic 2** – Team Reports

Team A Report: Overall goals is to develop a position that answers to the following questions:

How many rights are needed? When issued?

What are the rights (Term Sheet)? Considers both less than 1 year and greater than one year. Investigate Firm, non-Firm, and NC rights.

How are revenues from sale of rights treated?

How do you define incentives for above average availability?

How do you manage: a) Congestion with contingencies in real-time (curtailment)?

b) Congestion with contingencies in day ahead to real-time market (curtailment)?

c) Residual Congestion?

d) Seams / Externalities?

How do you define the stability of flow distribution factors and how/when do you derate flow gate rights?

Team consist of: Ren Orans (Leader), Deanna Phillips, John Anasis, Brian Silverstein, Kirk Granat, Carl Imperato, Dave Perrino, Dennis Phillips, Wally Gibson, Arne. Olson, and Don. Long.

Wally Gibson presented a paper on FTR firmness that identified the issues of balancing requirements on the “Rights” vs. “transmission supply” side.

John Anasis presented, via a handout, the issues associated with the conservative and aggressive approach in allocating FTRs.

Dave Perrino's paper was presented covering an approach to buy-back rights if a constrained path required some level of curtailment. The goal of the approach was to strike a balance between to have long term meaningful FTRs and the need to have flexibility to operate and maintain the system at acceptability levels of availability.

Lastly, Ren Orans presented a sample term sheet that could be used to define the rights associated with a flowgate.

After discussion of rights, the following was captured on the whiteboard as a method to help Team A address the strawman position.

1. Number and Type of Rights (products)
2. How are the rights products sold/ released
  - a. E.g.: yearly, monthly, etc
  - b. Heavy vs. light load conditions, temperature, etc.
3. Extent that RTO guarantees the rights sold (buy back vs. just derate)

After the presentations and discussion concluded, Team A agreed to generate a strawman paper covering the team assignments and the relevant discussion this morning.

Team E Report: Overall goals is to develop a position that answers to the following questions:  
What are the flow gates and how are they changed? What are the FDF for the flow gates and what is commercially significant?

Team members are Rick Vermeers (Leader), Ray Brush, Chuck Durick, Kirk Granat, John Anasis, Chris Reese, M. Ryan, J. Tucker, and P. Parks.

Gordon Comegys presented the results of the path distribution factors for commercially important paths. Results are located at [ftp://ftp.bpa.gov/outgoing/toc.rto\\_cm/master.xls](ftp://ftp.bpa.gov/outgoing/toc.rto_cm/master.xls).

At the end of the discussion, Team E agreed to address the following:

1. Are the flowgates correct in the case study provided by Gordon?
2. How many flowgates are needed?
3. Does coherency exist for generators within the zones between flowgates?
4. How do you rate the flowgates? % or rating?

A key task that is important to the success of any flow-based method is the translation of Rights from Contract Path to Flow Based. In IndeGO, the proposal was to allocate rights on the contract path and then require the owners to purchase and sell rights to get the flow-based configuration. The result of this task is very important to all participants

Team B Report: Overall goals is to develop a position that answers to the following questions:  
How are existing rights handled at startup of the RTO?

What are the committed uses of existing rights? How are these committed uses of existing rights translated to flow gates? How are the translated rights allocated? Consider both Network and PTP.

This team consists of: Coe Hutchinson, Deanna Phillips, Dennis Metcalf (Leader), Angela DeClerck, Robin Cross and Kirk Conger.

Team B presented as series of handouts as follows:

1. Brian Silverstein on “Relationship Between Eligible Customers and the RTO Foundation for Defining Existing Rights”. Discussion on the handling of existing native load was discussed as to who holds the rights. These rights could be withheld or assigned to the RTO.
2. Next two papers were discussed that attempted to bound the positions on retaining transmission rights. Steve Huhman present the side on “minimal retention of rights” and Kirk Conger’s email (presented by Robin Cross) presented the position of a load serving utility. These two positions covered: Auction, allocation of rights and conversion by mutual consent.

Brian Silverstein presented a template for collecting existing contract data. Discussion covered the legal WG is addressing existing contracts. D. Hackett took a new assignment to find out what data is being collected by legal.

Team C Report: Overall goals is to develop a position that answers to the following question:  
How are the pricing signals for long-term expansion generated?

Team consists of: Wally Gibson, Steve Walton, Brian Silverstein, and Tom Foley.

Teams C and D were defined as lower priority and they will make a presentation at the next meeting.

Team D Report: Overall goals is to develop a position that answers to the following question:  
How do you mitigate market power?

This team consists of Angela DeClerck and Dennis Phillips.

Teams C and D were defined as lower priority and they will make a presentation at the next meeting.

### **Agenda topic 3 – Next Step**

David Hackett took an assignment to generate an outline for the CM white paper using the combined documents of IndeGO, DSTAR and Mountain West ISA.

#### **Agenda topic 4 – Joint Meeting with Transmission Planning**

A joint meeting with planning was held using the two papers distributed prior to the meeting. Marv Landauer presented flow charts showing a total market based planning approach and a second flow chart for a market approach with a load service backstop. Decisions from the flow charts were presented via two tables (Load service and congestion planning) that compared the various models developed by Transmission Planning WG. In the presentation the definition for “load service” was there was “no more redispatch available”.

Agreement reached with planning on:

1. Those who pay should have input into the decision process
2. Separate the decision between Congestion Management (relieving congestion through flowgates) and load service (reliability).

A request was made to the Planning WG to:

1. Work with CM WG to define flowgates and determine if commercially significant. Several TXPL WG members volunteered to help.
2. Planning WG to define the projects that are being implemented pre-RTO that will reduce congestion on currently defined RTO flowgates.
3. Define specific problems addressed today by planners and determine how each problem would handle by the options in the matrix of planning continuums.

During the Planning discussions, PacifiCorp raised the concern that the flow-based approach may not provide additional benefits beyond the current path-based market model. To address this issue, Rich Bayless and Kurt Granat agreed to propose a complete model that will address their concern. In the meantime, the CM WG would continue their work on flowgates model.

The work group meeting ended at Noon on 7/11/00.

#### **Next Meeting:**

- Next meeting: July 18, 2000 8:30 am - 5 pm, Work Group #6 on Congestion Management @ RTO West Facility, 5933 NE Win Sivers Dr., Portland, OR, 97220
- Call in telephone number: call D. Hackett 503-258-0187 if a number is needed
- Agenda for Work Group Meeting #6
  - July 18 – CM WG Meeting
    - Outline of Congestion White-paper
    - Report by Teams
    - Next step

Minutes prepared by: D. F. Hackett

Handouts (Items not previously email in electronic form)